GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA

UNSTARRED QUESTION NO:3721
ANSWERED ON:19.12.2005
REDUCTION IN PREMIUM RATE OF INSURANCE
Chakraborty Shri Ajay

Will the Minister of AGRICULTURE be pleased to state:

(a) whether insurance rates of various crops have registered sharp rise in recent past;

(b) if so, the details thereof; and

(c) the steps taken by the Government to reduce the premium rates?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI KANTI LAL BHURIA)

(a)to(c): No Sir. Chargeable premium rates for food and oilseeds category of crops are flat and they are fixed keeping in view the paying capacity of the farmers.

Other category of crops are annual commercial and horticultural crops for which actuarial rates of premium are charged. These rates are different for different crops in different States. These rates show year to year variation as they are calculated on the basis of running average yield of past ten years of a crop. Keeping in view the variability in yield, actuarial rates of some crops have shown an increase while in some cases the premium rates have declined in the past.

The Joint Group constituted by the Government of India to study the improvements required in the existing crop insurance schemes has examined the issue of high actuarial rates of premium and has recommended adequate premium subsidy to the farmers. The Government is consulting various Stakeholders regarding implementation of the recommendations of the Group